

Uncorrected Data Adjustment

Chapter **4.3**

What is an uncorrected data adjustment? 4.3-1
Which schools are eligible to submit an uncorrected data adjustment? 4.3-2
What benefit will a school gain from submitting an uncorrected data adjustment? 4.3-2
What roles do data managers have in a school's uncorrected data adjustment? 4.3-2
How does a school submit an uncorrected data adjustment? 4.3-3
Which Department address does a school use for submitting an uncorrected data adjustment? 4.3-6
What happens after the school submits the uncorrected data adjustment? 4.3-6

Uncorrected Data Adjustment

What is an uncorrected data adjustment?

An uncorrected data adjustment is a request submitted to the U.S. Department of Education's (the Department's) Default Management to ensure that a school's official cohort default rate calculation reflects changes that were correctly agreed to as a result of an incorrect data challenge that the school submitted after the release of the draft cohort default rates.

A school should submit an uncorrected data adjustment when

- ❖ it submitted a timely challenge of its draft cohort default rate data,
- ❖ the data manager reviewing the incorrect data challenge agreed to make changes to the cohort default rate data, and
- ❖ the agreed upon changes are not reflected in the school's loan record detail report for the official cohort default rates.

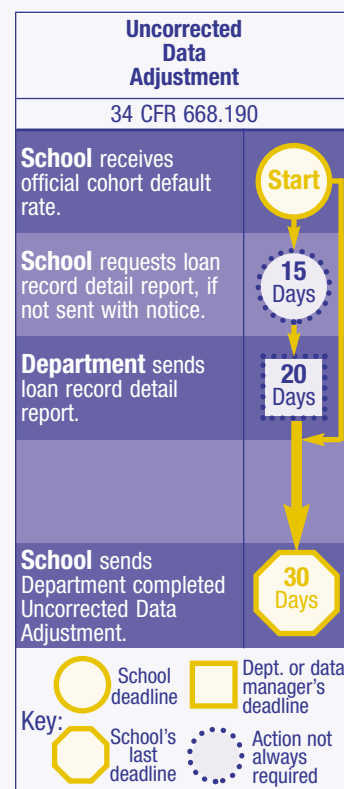
If a school does not submit an uncorrected data adjustment after the release of the official cohort default rates, the school will not have the opportunity to submit an uncorrected data adjustment at a later time.

Figure 4.3.1 shows the time frame for submitting an uncorrected data adjustment.

34 CFR 668.190

Figure 4.3.1

Time Frame for Submitting an Uncorrected Data Adjustment



Which schools are eligible to submit an uncorrected data adjustment?

Any school that receives an official cohort default rate may request that Default Management adjust its cohort default rate. This includes schools that are not subject to sanction and schools that have withdrawn from the Federal Family Education Loan (FFEL) and/or William D. Ford Federal Direct Loan (Direct Loan) programs. A school can only request an adjustment of its most recent official cohort default rate.

What benefit will a school gain from submitting an uncorrected data adjustment?

If, as a result of an uncorrected data adjustment (or as the result of a school's submission of any adjustment or appeal), Default Management determines that a school's official cohort default rate calculation data is incorrect, Default Management will recalculate the cohort default rate using the corrected data. This may lower, raise, or not affect the cohort default rate. If the school is subject to sanction and the cohort default rate is lowered below the sanction level, the school is no longer subject to that sanction. In addition, a school that would otherwise be subject to sanction in a later year may avoid being subject to that sanction.

However, even though Default Management may revise a cohort default rate, subsequent copies of the loan record detail report for the official cohort default rates will not reflect the change. Therefore, it is important for a school to keep a copy of Default Management's final determination letter as the official record of the school's revised cohort default rate.

What roles do data managers have in a school's uncorrected data adjustment?

Schools submit uncorrected data adjustments directly to Default Management for review and consideration. However, a school is required to send a copy of its uncorrected data adjustment to the data manager associated with the uncorrected data.

If Default Management notifies a data manager that a school's uncorrected data adjustment was successful, the data manager must correct the data both in the data manager's internal system and in the National Student Loan Data System (NSLDS). Before the release of the draft cohort default rates, the data manager must ensure that the changes are successfully loaded into NSLDS.

If a school submits an uncorrected data adjustment to the wrong entity or address, the uncorrected data adjustment will not be reviewed and the school could miss the deadline for submitting the uncorrected data adjustment.

If a data manager receives an uncorrected data adjustment from a school, the data manager should immediately contact the school to inform it that the uncorrected data adjustment must be sent to Default Management. The data manager should also indicate that the request must be sent to Default Management within 30 calendar days of the school receiving its loan record detail report for the official cohort default rates. The data manager should then notify Default Management that the data manager has contacted the school.

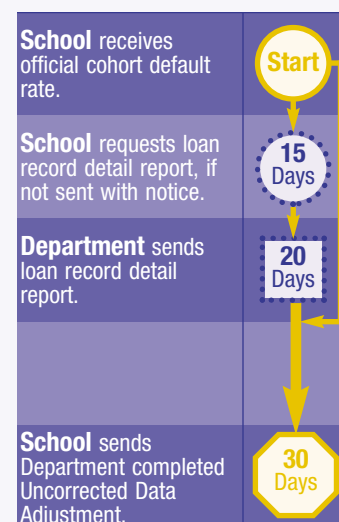
How does a school submit an uncorrected data adjustment?

Timing is critical when submitting an uncorrected data adjustment. A school must send its uncorrected data adjustment to Default Management within 30 calendar days of receiving the loan record detail report for the official cohort default rates.

If a school does not receive a loan record detail report for the official cohort default rates, and the school believes it might have grounds for an uncorrected data adjustment, it must request the loan record detail report for the official cohort default rates within 15 calendar days of receiving the official cohort default rate notification letter. See Chapter 2.3, “Loan Record Detail Report,” for information on requesting a loan record detail report for the official cohort default rates.

If a school believes the loan record detail report for the official cohort default rates contains uncorrected data, it should submit an uncorrected data adjustment to Default Management. If a school submits an uncorrected data adjustment to the wrong entity, the adjustment will not be reviewed and the school could miss the deadline for submitting the uncorrected data adjustment to Default Management.

Upon receiving the loan record detail report for the official cohort default rates, a school should compare the loan record detail report for the draft cohort default rates to the loan record detail report for the official cohort default rates and the data manager’s response to the school’s incorrect data challenge to determine if agreed upon changes have been made. If the school believes the loan record detail report for the official cohort default rates contains uncorrected data, it should submit an uncorrected data adjustment. The school must do so within 30 calendar days of receipt of the loan record detail report for the official cohort default rates.



The uncorrected data adjustment must include the following items:

- ❖ A completed uncorrected data adjustment spreadsheet that lists the uncorrected data that the data manager agreed to change in its incorrect data challenge response but is not reflected in the loan record detail report for the official cohort default rates.

Figure 4.3.2

Sample School
Uncorrected Data
Adjustment Spreadsheet
to Default Management

Figure 4.3.2 is a sample uncorrected data adjustment spreadsheet. Instructions for creating and completing the spreadsheet are in the “Spreadsheet Tools” section of Chapter 4.11, “Challenge, Adjustment, and Appeal Tools.”

Type: Uncorrected Data Adjustment
Cohort FY: 2002
From: Coralville College
Code: 098998
To: Default Management
Code: N/A

Number of Borrowers: 1
Number of Loans: 2

	A	B	C	D	E	F
1	Borrower's SSN	Borrower's Name	Type of Loans	Number of Loans	Date Data Manager Agreed	Data Manager Code
2	444-44-4444	Thorkelson, Peter	D1	1	05/05/2004	101
3	444-44-4444	Thorkelson, Peter	D2	1	05/05/2004	101
4						
5						

Date 10/14/2004

Page 1 of 1

- ❖ A copy of the data manager’s response to the school’s incorrect data challenge.

The school should include copies of the incorrect data challenge responses the school received after the release of the draft cohort default rates from the relevant data managers that show that the data managers agreed to the changes.

- ❖ A letter on the school’s letterhead.

Figure 4.3.3 is a sample uncorrected data adjustment letter. The letter must include the school’s OPE ID number and a statement indicating that the school is submitting an uncorrected data adjustment for the current cohort fiscal year. The letter must feature a subject line that reads “Subject: Cohort FY [insert cohort fiscal year used in the adjustment] Uncorrected Data Adjustment.” The school must also note if it is submitting any other adjustments or appeals. The letter must include a certification that the information provided is true and correct under penalty of perjury. The letter must also include a notation that

**Figure 4.3.3 - Sample School Uncorrected Data
Adjustment Letter to Default Management**



Coralville College
5029 Greta Avenue
Coral City, Iowa 12345-5029
1-987-654-3211

October 14, 2004

U.S. Department of Education
Default Management
ATTN: Uncorrected Data Adjustment
400 Maryland Avenue, SW
Washington, DC 20202-5353

OPE ID 098998

Subject: Cohort FY 2002 Uncorrected Data Adjustment

To Whom It May Concern:

Coralville College, OPE ID 098998, is submitting a cohort FY 2002 uncorrected data adjustment. Please see the enclosed spreadsheet and a copy of the incorrect data challenge response from the data manager stating that a change is warranted.

Coralville College is submitting its uncorrected data adjustment at this time; however, the school is also planning on submitting an economically disadvantaged appeal.

I, the undersigned, certify under penalty of perjury, that all information submitted in support of this uncorrected data adjustment is true and correct.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Serena Rooney'.

Serena Rooney
President, Coralville College

Enclosures

cc: Direct Loan Servicer

the school is sending a copy of the letter and the spreadsheet to the relevant data managers. The school's President/CEO/ Owner must sign the letter, and the signature must be followed by a signature block showing the signer's name and job title.

If the school does not submit the uncorrected data adjustment in a timely manner, Default Management will not review the uncorrected data adjustment and will return all uncorrected data adjustment materials to the school.

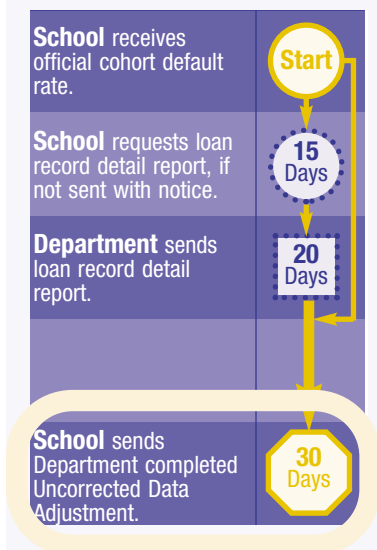
Which Department address does a school use for submitting an uncorrected data adjustment?

See the section entitled, "Which address does a school or data manager use for submitting challenge, adjustment, or appeal materials to Default Management?" in Chapter 4.11, "Challenge, Adjustment, and Appeal Tools," for the address for Default Management. A school should not send uncorrected data adjustment materials to any other addresses at the Department.

Default Management recommends that a school send all uncorrected data adjustment correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its uncorrected data adjustment. A school should maintain the documentation that verifies the receipt of the uncorrected data adjustment as well as all the electronic and hardcopy documentation submitted as a part of the uncorrected data adjustment process. If a school does not meet the 30-calendar-day time frame for submitting an uncorrected data adjustment, the uncorrected data adjustment will not be reviewed.

What happens after the school submits the uncorrected data adjustment?

Default Management will review only the information submitted with the uncorrected data adjustment and will not review information submitted after the deadline. Default Management will send the school and each involved data manager written notification of Default Management's decision. Default Management's decision is final and no further administrative review is provided.



Default Management is responsible for determining whether a data manager correctly agreed to make a change to a school's cohort default rate data during the incorrect data challenge process and whether the change is reflected in the loan record detail report for the official cohort default rates. If Default Management so determines using the standard of review described in 34 CFR 668.189(f), Default Management will recalculate the school's cohort default rate based on the correct data.

If the school was notified that it was subject to sanction and the uncorrected data adjustment is successful and the revised cohort default rate is below the sanction level, Default Management will withdraw that sanction notice. If the school was notified that it was subject to sanction and the uncorrected data adjustment is unsuccessful or if the uncorrected data adjustment is successful but the revised cohort default rate remains above the sanction level, and the school has no other outstanding appeals and adjustments, Default Management will notify the school of the effective date of that sanction.

A school that submits an adjustment and/or an appeal but fails to avoid sanctions is liable for certain costs associated with the FFELs it certified and delivered and/or the Direct Loans it originated and disbursed during the adjustment and appeal process. Liabilities are not calculated for loans that were delivered or disbursed more than 45 calendar days after the school submitted its completed adjustment and/or appeal to the Department. Schools may avoid this liability if they choose not to certify or originate loans during the adjustment and appeal process.

School to Default Management Uncorrected Data Adjustment Checklist

Determine

- ☐ Does the loan record detail report for the official cohort default rates contain data that a data manager agreed to correct? (See page [4.3-1](#))

Submit to Default Management

- ☐ Spreadsheet (See page [4.3-4](#))
- ☐ Copy of Data Manager Incorrect Data Challenge Response (See page [4.3-4](#))
- ☐ Letter (See page [4.3-4](#))